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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

12 March 1984

MEMORANDUM FOR:

FROM:

Director, Program and Budget Staff

SUBJECT:

March 16 Meeting to Discuss FY 1986 Budget Cycle

Ron

1. As arranged by telephone last week, I would like to meet this Friday, March 16, to discuss the FY 1986 budget cycle, with particular emphasis on two areas:

- How we plan to use the CPB target capability statements in the FY 1986 budget review process, and
- Your views on proposed modifications to the process as described in the attached memorandum from Defense.

2. The meeting will be held from 1:30-3:00 PM in Room [redacted]
Please call if you have any questions or suggestions for additional topics to be discussed.

Attachment:

DoD Memo dated 2 March 1984

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

DCI/OC 84-5340

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Director, Intelligence Community Staff

Washington, D.C. 20505

Dear [redacted]

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We are all aware that improvements can be made in the coordination and development of the DoD and NFIP budgets. One step toward that end would be an earlier DCI decision on the NFIP budget. Our receipt of the DCI's detailed, documented decisions in early November would allow sufficient time for DoD to conduct a coherent and comprehensive evaluation of the Defense portion of your recommended NFIP budget and to make this assessment in the context of our request for Tactical Intelligence and Related Activities (TIARA).

Accordingly, we have prepared and offer for your consideration the enclosed revised schedule of events and schedule for NFIP budget development. This new arrangement would not alter the basic tenets and structure of the NFIP's Capabilities Programming and Budgeting System (CPBS), and would enhance the compatibility of the NFIP and DoD budget processes. This new schedule expedites the development of the NFIP budget by joining the separate budget forecast (summer) and budget submission (fall) reviews. Combining these reviews would also give us the time we need to build the budget in an orderly manner. Additionally, the new schedule calls for the establishment of an NFIC Working Group to prepare and coordinate budget issues and to propose an NFIP ranking of base activities and initiatives for your approval.

Implementing this revised schedule and increasing the documentation and rationale accompanying the decisions would eliminate our primary concerns with the process. Executive Order 12333 requires the heads of Executive Branch departments and agencies to include the appropriate NFIP budget proposals, as approved by the DCI, in their own budget submissions. If NFIP budget decisions could be provided to department and agency heads somewhat in advance, rather than concurrent with or, as is often the case, later than the final departmental decisions, we would be able to assess the total NFIP recommendation against total DoD budgetary expectations, to address those NFIP initiatives of particular importance to the Department's mission and, in our dual role as the principal custodian and beneficiary of NFIP efforts, to join you in formulating credible justification for the intelligence efforts we believe must be funded.

From the perspective of mechanics, earlier receipt of the DCI decisions would be especially helpful in instances where the NFIP recommendation (1) exceeds departmental resource guidance levels and as such can only be included in the departmental budget at the expense of already approved non-NFIP requirements, or (2) is less than the Department's resource guidance and would thereby

permit some funds to be applied to high priority but unfunded DoD efforts. Finally, and simply as a matter of efficient business procedures, this change would improve linkages in the important milestones throughout the budget development process for NFIP and DoD preparers and decision makers, who would mutually benefit from the greater consistency in scheduling and assessing manpower, communications, facilities, et al, to avoid programmatic inconsistencies.

Obviously this new schedule would require further definition as to rules, procedures and responsibilities, especially those having to do with the NFIC Working Group. If you believe there is some merit in developing this concept, representatives of the OSD staff are available to work with your staff to produce a plan for your approval. Hopefully, procedures could be developed in time for use during FY 1986 budget preparation.

Sincerely,

Donald C. Latham
Deputy Under Secretary of Defense
(Communications, Command, Control,
and Intelligence)

~~Richard G. Stilwell~~
General, USA (Ret.)
Deputy Under Secretary of Defense
for Policy

Enclosures

Coordination:

~~NOTE:~~ The DoD Comptroller should participate in the new concept, plan and schedule.

ASD Comptroller

~~Uncle P. Seante~~

3/16

NFIP PROGRAM AND BUDGET SCHEDULE

- February**
 - CPBS review of On-going Initiatives
 - Develop DCI program and resource guidance

- March**
 - NFIC reviews proposed program and resource guidance
 - Program and resource guidance published.
 - CPBS 25% review of NFIP base activities

- April Thru Mid-July**
 - Supplemental program and resource guidance published as result of on-going initiative and base activities review and Congressional action on the budget request
 - President's Spring Review - NFIC meets as necessary to address issues.

- Mid July Thru Early August**
 - NFIP budget submissions provided by Program Managers (15 July)
 - Early programmatic issues developed by NFIC Working Group chaired by D/ICS and presented to DCI through NFIC for resolution.

- Mid August**
 - NFIP adjusted for early DCI decisions and provided to Departments for recording in their summer program updates.

- Mid August Thru Mid September**
 - Joint DCI/OMB/Departmental/Agency budget hearings.
 - Budget Decision Memoranda (BDMs) processed for budget scrub and other actions as identified by budget examiners.
 - Program Managers may appeal BDMs within three working days of issuance to NFIC Working Group.
 - NFIC Working Group with the approval of D/ICS issues final BDMs or elevates the decision to program issue status for DCI decision and presentation at NFIC.
 - As BDMs are finalized the ICS updates the NFIP budget data base.

- Mid September Thru Mid October**
 - Issue Development and Resolution. The NFIC Working Group reviews proposed Issues as developed by ICS, OMB, Departments, the Working Group itself, program managers, and intelligence users.
 - NFIC working group decides on issues of such nature that unanimous Working Group agreement can be obtained.
 - All other issues are prepared by the NFIC Working Group for presentation to the DCI and the NFIC for decision - NFIC meeting required.
 - As decisions are reached BDMs are issued to update the ICS NFIP budget data base.

Mid October Thru
Mid November

- **Ranking.** D/ICS produces strawman 1 to n listing of NFIP base activities and initiatives.
- NFIC Working Group develops a recommended ranking (1 to n listing) for DCI consideration at NFIC ranking meeting.
- DCI final NFIP ranking issued and recommended NFIP budget prepared for presentation to the President on 15 November.
- Recommended DCI budget provided to Departments 7 working days prior to submission to President.

Mid November
Thru January

- SIG(I) Meeting
- Review Congressional Budget Justification Book Preparation.
- President's Tentative Decisions - usually early December.
- DCI appeal (may also involve Department/Agency heads if differences on NFIP exist).
- President's Budget Decision
- Adjusted NFIP budget provided to Departments
- CBJBs provided to Congress (late January).